

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

Call to Order: By **CHAIRMAN DONALD L. HEDGES**, on January 16, 2003
at 8:05 A.M., in Room 102 Capitol.

ROLL CALL

Members Present:

Rep. Donald L. Hedges, Chairman (R)
Sen. Royal Johnson, Vice Chairman (R)
Rep. Rosalie (Rosie) Buzzas (D)
Sen. John Esp (R)
Rep. Eve Franklin (D)
Rep. Dave Lewis (R)
Sen. Bea McCarthy (D)

Members Excused: None.

Members Absent: None.

Staff Present: Mark Bruno, OBPP
Diana Williams, Committee Secretary
Lynn Zanto, Legislative Branch

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed. Time
stamp refers to material immediately preceding.

Committee Business Summary:

Hearing(s) & Date(s) Posted: None

Executive Action: OPI
Montana Historical Society

EXECUTIVE ACTION ON OFFICE OF PUBLIC INSTRUCTION

Motion: SEN. JOHNSON moved to REINSTATE \$24,715,540 OF GENERAL FUNDS IN THE OFFICE OF PUBLIC INSTRUCTION (OPI) BUDGET FOR PUBLIC EDUCATION.

Discussion:

REP. BUZZAS wanted to know where the source of funding will come from.

SEN. JOHNSON said it will come from the general fund. There is \$66.217 million to work with. SEN. JOHNSON further said that reinstating the money is also supported by the Superintendent of Public Instruction.

REP. FRANKLIN said this is a good starting point to help fund education.

REP. LEWIS said that this motion needs to be done so the funding will be put on the General Fund Status Report. The report allows the funding to be locked.

Vote: The motion carried 7-0 by roll call vote.

{Tape: 1; Side: A; Approx. Time Counter: 0 - 6.5}

Discussion:

The committee discussed the protocol of proxy votes. REP. BUZZAS asked if this committee will adopt the 24-hour rule for proxy vote.

CHAIRMAN HEDGES said that a common sense approach will be taken. He explained that they will proceed assuming there will be a proxy on the table, therefore a 24-hour rule will not be needed. If there is an emergency and no one knows where the individual is, if the action is such that it doesn't get into the system too far, the 24-hour rule will take effect. Allowing this to happen in this manner will allow representation in every area of the state to occur.

{Tape: 1; Side: A; Approx. Time Counter: 6.6 - 14.3}

MONTANA HISTORICAL SOCIETY

Mark Bruno, Office of Budget, Program & Planning (OBPP), said the Governor's budget is fair considering the current economic times. The gap is about \$187,000. **OBPP** worked with the Montana Historic Society in crafting the budget of \$3.5 million of general funds for the biennium. To soften the budget, the additional \$100,000 accommodation tax from the Department of Commerce would go into the museum program and an additional \$50,000 per year increase in the administrative assessment to the Montana Heritage Commission and the Lewis and Clark Commission are included.

Lynn Zanto, Legislative Fiscal Division (LFD), explained the Historical Society's bridge document that the LFD produced which is Exhibit 1 on the January 15, 2003 minutes.

Ms. Zanto also explained that the FTE will not be cut unless it is specified in the motion. If the FTE isn't specified, the Montana Historical Society would not be filling the positions and the positions would still be active. The museum fees and Publications Program funding were also clarified. She said that public input was used in setting museum fees. Increasing the fee could cushion some of the impacts of the reductions. With the Publications Program it's funded with over 90 percent proprietary funds and a small amount of general fund. The legislature may want to consider requiring the program to become self-supporting by eliminating or phasing out the funds that are received from the general fund.

{Tape: 1; Side: A; Approx. Time Counter: 14.4 - 20.4}

Discussion was held by the committee members over the bridge document. If the executive budget decision package is accepted, approximately \$187,000 of general funds will be needed. **SEN. JOHNSON** asked for clarification over PL 10 and PL 14. **Ms. Zanto** said that PL 14 is an accounting error correction (\$17,000) & PL 10 (\$7,000) is only the rent increase. **SEN. JOHNSON** wanted to know how much the lease was for the building that houses the Sriver Collection.

Arnie Olsen, Director of the Historical Society, said that there is a 20-year negotiated lease. For 2004 the cost will be \$104,000 and in 2005 it will be \$107,000. With this lease there is a two or three percent inflation factor built in and the agency doesn't pay for the utilities. The funding source for this will be through non-general funds. The building is 21,000 square feet.

Insurance was also discussed. **Mr. Olsen** said that the insurance cost for the Historical Society is \$63,000 for fiscal 2004 and \$66,000 in 2005.

EXECUTIVE ACTION ON MONTANA HISTORICAL SOCIETY

{Tape: 1; Side: A; Approx. Time Counter: 20.4 - 29.8}

Motion REP. LEWIS moved that **THE GOVERNOR'S BUDGET FOR THE HISTORICAL SOCIETY DO PASS.**

Discussion:

If this motion is passed the following will occur:

The Language Recommendations that are found on page E-74 of the Legislative Budget Analysis 2005 Biennium will be adopted. (The Department of Commerce will use bed tax dollars to help fund the Montana Historical Society.)

EXHIBIT (jeh09a01)

The general funds will be reduced by \$284,465 in Fiscal 2004 and \$285,641 in Fiscal 2005 from the adjusted fiscal 2002 base. The non-general funds (state special, federal special, and/or proprietary funds) will be the other funding sources used as reflected in the executive budget that will cover the additional costs.

The committee members discussed what is in the Executive Budget Decision Packages. This agency uses the general funds appropriated to it efficiently. All parties who were involved in producing the packages are in agreement that this would be a worthwhile package if adopted. With the Governor's cut, the Publications Program would still be intact. Clarification was done on what the budget level will be for this agency. The level is approximately \$3.9 million for each year.

{Tape: 2; Side: A; Approx. Time Counter: 0 - 8.5}

Vote: Motion carried 7-0 by roll call vote.

{Tape: 2; Side: A; Approx. Time Counter: 8.5 - 9.1}

Ms. Zanto explained that by adopting this package, the language to put in the accommodation tax money received from the Department of Commerce would take affect. See Exhibit 1.

{Tape: 1; Side: B; Approx. Time Counter: 9.2 - 10.7}

ADJOURNMENT

Adjournment: 8:45 A.M.

REP. DONALD L. HEDGES, Chairman

DIANA WILLIAMS, Secretary

DH/DW

EXHIBIT (jeh09aad)